

2011 Property Tax Report

Newton County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Newton County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Newton County

The average homeowner saw a 5.3% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 18.3% lower than they were in 2007, before the property tax reforms.

80.2% of homeowners saw lower tax bills in 2011 than in 2007.

55.7% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 1% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	2,665	74.6%	678	19.0%
No Change	129	3.6%	29	0.8%
Lower Tax Bill	776	21.7%	2,863	80.2%
Average Change in Tax Bill	5.3%		-18.3%	
Detailed Change in Tax Bill				
20% or More	231	6.5%	135	3.8%
10% to 19%	446	12.5%	144	4.0%
1% to 9%	1,988	55.7%	399	11.2%
0%	129	3.6%	29	0.8%
-1% to -9%	684	19.2%	486	13.6%
-10% to -19%	49	1.4%	496	13.9%
-20% to -29%	14	0.4%	526	14.7%
-30% to -39%	5	0.1%	536	15.0%
-40% to -49%	9	0.3%	373	10.4%
-50% to -59%	0	0.0%	151	4.2%
-60% to -69%	2	0.1%	75	2.1%
-70% to -79%	1	0.0%	51	1.4%
-80% to -89%	2	0.1%	36	1.0%
-90% to -99%	2	0.1%	31	0.9%
-100%	8	0.2%	102	2.9%
Total	3,570	100.0%	3,570	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT RAISE HOMEOWNER
 TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 5.3% on average in Newton County in 2011. This was slightly more than the state average of 4.4%. Newton County homestead taxes were still 18.3% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was mainly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.1% in Newton County in 2010.

Tax Rates

Property tax rates declined in almost all of Newton County tax districts. The average tax rate declined by 0.7% because the increase in net assessed value exceeded a smaller increase in the levy. Levies in Newton County increased by 1.4%. The biggest levy increases were in the county EMS and property reassessment funds. Newton County's total net assessed value increased 2.1% in 2011. Homestead and agricultural net assessments increased by 2.5% and 2.2%, respectively. Other residential assessments showed an increase at 1.5%, while business net assessments rose by 1.7%.

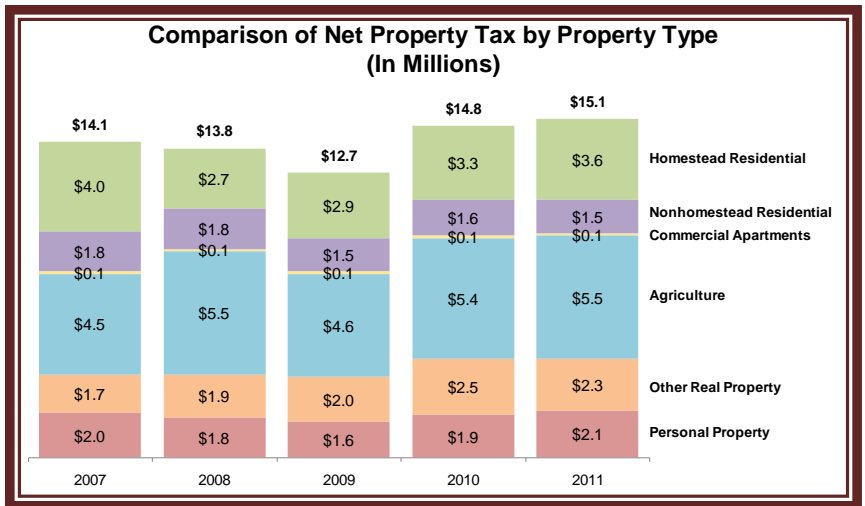
★★★★★★

*DECREASES OR SMALL INCREASES IN
NONHOMESTEAD PROPERTY TAXES IN 2011*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 2.1% in Newton County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 3.8%. Tax bills for commercial apartments fell 4.9%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - were nearly unchanged, increasing by 0.3%. These small tax bill changes reflect the small tax rate changes in Newton County in 2011. Agricultural tax bills rose 2.0%, partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED IN 2011 DUE TO THE
ELIMINATION OF THE STATE HOMESTEAD CREDIT*

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Total tax cap credit losses in Newton County were \$362,132, or 2.4% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Newton County's tax rates were less than the state median.

More than two-thirds of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the towns of Brook and Morocco. District tax rates were above \$3 per \$100 assessed value in Brook, and near \$3 in Morocco. The largest dollar losses were in the North Newton School Corporation, South Newton School Corporation, Brook Town, and the county unit.

Newton County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$36,887	\$262,901	\$17,946	\$14,460	\$332,195	2.2%
2011 Tax Cap Credits	66,182	260,829	14,614	20,508	362,132	2.4%
Change	\$29,294	-\$2,072	-\$3,333	\$6,047	\$29,937	0.2%

Tax cap credits increased in Newton County in 2011 by \$29,937, or 9%. The additional credits

represent an added loss of 0.2% of the total tax levy. Most of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. The elimination of the state homestead credit caused much of the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had little effect on Newton County assessments for pay-2011. Business property values and construction activity appear to have increased in Newton County in 2009. With increased net assessments tax rates generally fell, which reduced tax cap credit losses slightly in the 2% and 3% categories.

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*2009 RECESSION HAD LITTLE EFFECT
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$470,263,000	\$481,257,100	2.3%	\$194,114,476	\$198,885,010	2.5%
Other Residential	61,385,800	62,214,500	1.3%	59,994,165	60,867,470	1.5%
Ag Business/Land	287,611,900	293,803,500	2.2%	285,866,560	292,112,810	2.2%
Business Real/Personal	225,478,180	239,674,280	6.3%	206,508,320	210,067,976	1.7%
Total	\$1,044,738,880	\$1,076,949,380	3.1%	\$746,483,521	\$761,933,266	2.1%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Newton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	19,331,737	20,934,753	12,995,535	15,150,257	15,357,524	8.3%	-37.9%	16.6%	1.4%
State Unit	17,211	18,889	0	0	0	9.7%	-100.0%		
Newton County	5,281,127	6,000,421	4,846,003	4,927,018	5,212,760	13.6%	-19.2%	1.7%	5.8%
Beaver Township	139,889	142,745	148,771	150,820	155,147	2.0%	4.2%	1.4%	2.9%
Colfax Township	7,131	7,072	6,992	6,948	6,904	-0.8%	-1.1%	-0.6%	-0.6%
Grant Township	33,013	33,897	35,542	36,475	37,465	2.7%	4.9%	2.6%	2.7%
Iroquois Township	34,613	35,375	36,888	37,614	38,737	2.2%	4.3%	2.0%	3.0%
Jackson Township	16,829	17,213	18,122	18,451	18,994	2.3%	5.3%	1.8%	2.9%
Jefferson Township	57,306	59,018	79,311	81,539	83,665	3.0%	34.4%	2.8%	2.6%
Lake Township	169,803	173,820	177,839	180,840	186,220	2.4%	2.3%	1.7%	3.0%
Lincoln Township	135,385	139,040	138,533	141,293	142,884	2.7%	-0.4%	2.0%	1.1%
McClellan Township	20,644	21,899	22,832	23,259	24,077	6.1%	4.3%	1.9%	3.5%
Washington Township	29,263	30,169	31,594	32,018	33,094	3.1%	4.7%	1.3%	3.4%
Brook Civil Town	202,225	205,075	217,253	221,338	230,259	1.4%	5.9%	1.9%	4.0%
Goodland Civil Town	230,754	233,995	245,447	247,004	197,485	1.4%	4.9%	0.6%	-20.0%
Kentland Civil Town	391,990	396,683	414,262	401,101	427,547	1.2%	4.4%	-3.2%	6.6%
Morocco Civil Town	189,124	191,926	200,385	201,791	202,680	1.5%	4.4%	0.7%	0.4%
Mt. Ayr Civil Town	10,617	10,749	11,349	11,436	11,867	1.2%	5.6%	0.8%	3.8%
North Newton School Corp	6,279,598	6,737,471	2,998,555	4,460,413	4,370,886	7.3%	-55.5%	48.8%	-2.0%
South Newton School Corp	4,940,561	5,276,457	2,049,095	2,802,979	2,713,965	6.8%	-61.2%	36.8%	-3.2%
Brook Public Library	186,072	190,778	198,401	200,170	209,348	2.5%	4.0%	0.9%	4.6%
Goodland Public Library	81,668	83,285	87,938	88,833	91,929	2.0%	5.6%	1.0%	3.5%
Kentland Public Library	128,307	130,029	212,286	208,241	212,472	1.3%	63.3%	-1.9%	2.0%
Newton County Public Library	748,607	798,747	818,137	670,676	749,139	6.7%	2.4%	-18.0%	11.7%
Northwest Indiana Solid Waste Mgt Dist	0	0	0	0	0				

Newton County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
56001	Beaver Township	2.1328	--	--	--	--	--	--	2.1328
56002	Morocco Corp (Beaver)	2.7943	--	--	--	--	--	--	2.7943
56003	Colfax Township	1.8246	--	--	--	--	--	--	1.8246
56004	Grant Township	1.7963	--	--	--	--	--	--	1.7963
56005	Goodland Corp (Grant)	2.5271	--	--	--	--	--	--	2.5271
56006	Iroquois Township	1.8609	--	--	--	--	--	--	1.8609
56007	Brook Corp (Iroquois)	3.3521	--	--	--	--	--	--	3.3521
56008	Jackson Township	1.8495	--	--	--	--	--	--	1.8495
56009	Mount Ayr Corp (Jackson)	2.5127	--	--	--	--	--	--	2.5127
56010	Jefferson Township	1.8879	--	--	--	--	--	--	1.8879
56011	Kentland Corp (Jefferson)	2.4591	--	--	--	--	--	--	2.4591
56012	Lake Township	2.0077	--	--	--	--	--	--	2.0077
56013	Lincoln Township	1.9128	--	--	--	--	--	--	1.9128
56014	Mcclellan Township	1.8941	--	--	--	--	--	--	1.8941
56015	Washington Township	1.8596	--	--	--	--	--	--	1.8596

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Newton County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	66,182	260,829	14,614	20,508	362,132	15,357,524	2.4%
<i>TIF Total</i>	0	0	0	0	0	3,244	0.0%
<i>County Total</i>	66,182	260,829	14,614	20,508	362,132	15,360,768	2.4%
Newton County	18,331	66,738	3,011	6,558	94,638	5,212,760	1.8%
Beaver Township	1,070	7,505	0	159	8,733	155,147	5.6%
Colfax Township	0	0	0	2	2	6,904	0.0%
Grant Township	7	482	0	6	496	37,465	1.3%
Iroquois Township	253	974	181	55	1,462	38,737	3.8%
Jackson Township	4	39	0	4	47	18,994	0.2%
Jefferson Township	125	651	0	47	823	83,665	1.0%
Lake Township	1,212	330	0	469	2,011	186,220	1.1%
Lincoln Township	410	0	0	301	711	142,884	0.5%
McClellan Township	2	0	0	5	7	24,077	0.0%
Washington Township	0	0	0	31	31	33,094	0.1%
Brook Civil Town	9,084	35,581	6,627	838	52,130	230,259	22.6%
Goodland Civil Town	156	10,092	0	118	10,366	197,485	5.2%
Kentland Civil Town	2,623	13,646	0	603	16,871	427,547	3.9%
Morocco Civil Town	3,408	17,810	0	729	21,947	202,680	10.8%
Mt. Ayr Civil Town	0	917	0	9	926	11,867	7.8%
North Newton School Corp	15,628	37,466	0	6,520	59,614	4,370,886	1.4%
South Newton School Corp	9,301	52,245	3,957	2,448	67,950	2,713,965	2.5%
Brook Public Library	1,159	4,497	837	279	6,772	209,348	3.2%
Goodland Public Library	27	1,767	0	22	1,816	91,929	2.0%
Kentland Public Library	705	3,667	0	189	4,561	212,472	2.1%
Lake Village Public Library	0	0	0	0	0	0	
Newton County Public Library	2,678	6,421	0	1,118	10,217	749,139	1.4%
Northwest Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Better Coil	0	0	0	0	0	3,244	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.